

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re MOODY'S CORPORATION	:	CASE NO. 1:07-CV-8375-GBD
SECURITIES LITIGATION	:	
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DECLARATION OF SHARON L. NELLES

SHARON L. NELLES hereby declares under penalty of perjury as follows:

1. I am a member of the bars of the State of New York and the Commonwealth of Massachusetts. I am admitted to practice in the Southern District of New York, and I am a member of the law firm Sullivan & Cromwell LLP, counsel for defendants Moody's Corporation ("Moody's") and Raymond W. McDaniel, Jr. I submit this declaration in support of Moody's Defendants' Motion for Summary Judgment.

2. Attached hereto as Exhibit 1 is a true and correct copy of the consolidated amended complaint filed on June 27, 2008 in *In re Moody's Securities Litigation*, 1:07-cv-8375, in the United States District Court for the Southern District of New York.

3. Attached hereto as Exhibit 2 is a true and correct copy of the complaint filed on July 19, 2007 in *Nach v. Huber*, No. 07-cv-4071, in the United States District Court for the Northern District of Illinois.

4. Attached hereto as Exhibit 3 is a true and correct copy of the complaint filed on September 26, 2007 in *Teamsters Local 282 Pension Trust Fund v. Moody's Corp.*, No. 07-cv-8375, in the United States District Court for the Southern District of New York.

5. Attached hereto as Exhibit 4 is a true and correct copy of plaintiffs' Memorandum of Law in Support of Class Certification, dated January 22, 2010.

6. Attached hereto as Exhibit 5 is a true and correct copy of defendants' Memorandum of Law in Opposition to Plaintiffs' Motion for Class Certification, dated May 28, 2010.

7. Attached hereto as Exhibit 6 is a true and correct copy of plaintiffs' Reply Memorandum of Law in Further Support of plaintiffs' Motion for Class Certification, dated August 23, 2010.

8. Attached hereto as Exhibit 7 is a true and correct copy of defendants' Sur-Reply Memorandum of Law in Opposition to plaintiffs' Motion for Class Certification, dated October 22, 2010.

9. Attached hereto as Exhibit 8 is a true and correct copy of plaintiffs' Response to Defendants' Sur-Reply Memorandum of Law in Opposition to plaintiffs' Motion for Class Certification, dated November 5, 2010.

10. Attached hereto as Exhibit 9 is a true and correct copy of plaintiffs' Petition for Leave to Appeal Pursuant to Federal Rule of Civil Procedure 23(f), dated April 14, 2011.

11. A true and correct copy of excerpts of the transcript of the deposition of Charles W. McCurley, dated March 19, 2010 will be filed under seal as Exhibit 10 pursuant to the Confidentiality Stipulation and Protective Order Entered by the Court on March 15, 2010.

12. A true and correct copy of excerpts of the transcript of the deposition of Dr. Lewis Wetstein, dated March 19, 2010 will be filed under seal as Exhibit 11 pursuant to the Confidentiality Stipulation and Protective Order Entered by the Court on March 15, 2010.

13. A true and correct copy of excerpts of the transcript of the deposition of William Maye, dated April 1, 2010 will be filed under seal as Exhibit 12 pursuant to the Confidentiality Stipulation and Protective Order Entered by the Court on March 15, 2010.

14. Exhibit 13, a true and correct copy of documents bearing identification numbers McCurley 0001-0007, produced in this action by Charles W. McCurley, Jr., has been filed under seal as Exhibit 47 to the Declaration of Stephen Ehrenberg, dated May 28, 2010, under Docket Number 69 in this action.

15. Exhibit 14, a true and correct copy of a document bearing identification number LTPF 0002852, produced in this action by Teamsters Local 282 Pension Trust Fund, has been filed under seal as Exhibit 48 to the Declaration of Stephen Ehrenberg, dated May 28, 2010, under Docket Number 69 in this action.

16. Attached hereto as Exhibit 15 is a true and correct copy of the Expert Report of Dr. René M. Stulz, dated May 28, 2010.

17. Attached hereto as Exhibit 16 is a true and correct copy of the Expert Report of Chad Coffman, dated August 23, 2010 (without exhibits).

18. Attached hereto as Exhibit 17 is a true and correct copy of the Expert Report of Dr. René M. Stulz, dated October 22, 2010.

19. Attached hereto as Exhibit 18 is a true and correct copy of the Expert Report of Chad Coffman, dated November 5, 2010 (without exhibits).

20. Attached hereto as Exhibit 19 is a true and correct copy of the Expert Report of Chad Coffman, dated May 25, 2012 (without exhibits).

21. Attached hereto as Exhibit 20 is a true and correct copy of the Expert Report of Dr. René M. Stulz, dated June 29, 2012.

22. Attached hereto as Exhibit 21 is a true and correct copy of Moody's Code of Professional Conduct, June, 2005.

23. Attached hereto as Exhibit 22 is a true and correct copy of a publication entitled "Conflicts of Interest in the Financial Services Industry: What Should We Do About Them?" by Andrew Crockett et al., published as part of the Geneva Reports on the World Economy, 2004.

24. Attached hereto as Exhibit 23 is a true and correct copy of an article entitled "Three is No Crowd—Credit-Rating Agencies" published in *The Economist* on March 26, 2005.

25. Attached hereto as Exhibit 24 is a true and correct copy of an article entitled "Moving the Market: SEC Says Voluntary Policing by Ratings Firms Lacks Bite" by Deborah Solomon, published in *The Wall Street Journal* on March 10, 2005.

26. Attached hereto as Exhibit 25 is a true and correct copy of the Moody's Corporation 2006 Annual Report.

27. Attached hereto as Exhibit 26 is a true and correct copy of the Moody's Corporation 2007 Annual Report.

28. Attached hereto as Exhibit 27 is a true and correct copy of the Moody's Corporation Form 10-Q, filed August 3, 2006.

29. Attached hereto as Exhibit 28 is a true and correct copy of the Moody's Corporation Form 10-Q, filed May 3, 2007.

30. Attached hereto as Exhibit 29 is a true and correct copy of the Moody's Corporation Form 10-Q, filed November 2, 2007.

31. Attached hereto as Exhibit 30 is a true and correct copy of the Moody's Corporation Form 10-Q, filed August 3, 2007.

32. Attached hereto as Exhibit 31 is a true and correct copy of an article entitled "Q3 2007 Moody's Corporation Earnings Conference Call—Final," published by *Voxant FD Wire* on October 24, 2007.

33. Attached hereto as Exhibit 32 is a true and correct copy of an article entitled "Credit Rating," by John Authers, published in *The Financial Times* on July 3, 2007.

34. Attached hereto as Exhibit 33 is a true and correct copy of an article entitled "2Q07 Preview, Adj Ests," published by JP Morgan North America Equity Research on July 20, 2007.

35. Attached hereto as Exhibit 34 is a true and correct copy of the Proceedings and Debates of the 109th Congress, Second Session, Congressional Record, Vol. 152, No. 120, dated September 22, 2006, printed from the Library of Congress (THOMAS) website. Available at <http://thomas.loc.gov/home/thomas.php>.

36. Attached hereto as Exhibit 35 is a true and correct copy of the Bill Summary & Status, 109th Congress (2005-2006), S.3850, Major Congressional Actions, printed from the Library of Congress (THOMAS) website. Available at <http://thomas.loc.gov/home/thomas.php>.

37. Attached hereto as Exhibit 36 is a true and correct copy of an article entitled "UPDATE 3—US Senate's Shelby Urges Credit Rater Changes," by Kevin Drawbaugh, published by *Reuters* on February 1, 2006.

38. Attached hereto as Exhibit 37 is a true and correct copy of an article entitled "Bush Signs Rating Agency Reform Act," by Mario Leone, published by *CFO.com* on October 2, 2006.

39. Attached hereto as Exhibit 38 is a true and correct copy of an article entitled "Lawmakers Must Not Over-Regulate Credit Agencies—US Senator," published by *Dow Jones International News*, on August 20, 2007.

40. Attached hereto as Exhibit 39 is a true and correct copy of an article entitled "J.P. Morgan Analyst Downgrades McGraw-Hill to 'Neutral' on Credit Market Turmoil," published by the *Associated Press Newswires* on August 20, 2007.

41. Attached hereto as Exhibit 40 is a true and correct copy of an article entitled "Downgrading to Underweight; Lowering Ests," published by JP Morgan North America Equity Research on October 25, 2007.

42. Attached hereto as Exhibit 41 is a true and correct copy of an article entitled "Crunched—Full Year 2007 Outlook is (Unsurprisingly) Cut; Management Lowers the Bar, Announces Plans for 'Aggressive' Cost Actions," published by Bear Stearns Information Services on October 24, 2007.

43. Attached hereto as Exhibit 42 is a true and correct copy of an article entitled "First Take: Weak Results Not a Surprise; Too Soon to Own Stock," published by Goldman Sachs Global Investment Research on October 24, 2007.

44. Attached hereto as Exhibit 43 is a true and correct copy of an article entitled “CPDOs Expose Ratings Flaw at Moody’s,” by Sam Jones, et al., published by *The Financial Times* on May 20, 2008.

45. Attached hereto as Exhibit 44 is a true and correct copy of an excerpt from an article entitled “Constant Proportion Debt Obligations (CPDOs): Modeling and Risk Analysis,” by Rama Cont & Catherine Jessen, Financial Engineering Report No. 2009-01, Center for Fiscal Engineering, Columbia University, 2009.

46. Attached hereto as Exhibit 45 is a true and correct copy of a report entitled “Report of Investigation Pursuant to Section 21(a) of the Securities Exchange Act of 1934: Moody’s Investors Service, Inc.,” by the Securities and Exchange Commission, Release No. 62802, August 31, 2010.

47. A true and correct copy of documents bearing identification numbers Wetstein 0001-0003, produced in this action by Dr. Lewis Wetstein, will be filed under seal as Exhibit 46 pursuant to the Confidentiality Stipulation and Protective Order Entered by the Court on March 15, 2010.

Executed in New York, New York on September 16, 2012.

/s/ Sharon L. Nelles
Sharon L. Nelles